

RE 310 – Principles of Real Estate Real Property Rights

1) What is Real Estate?

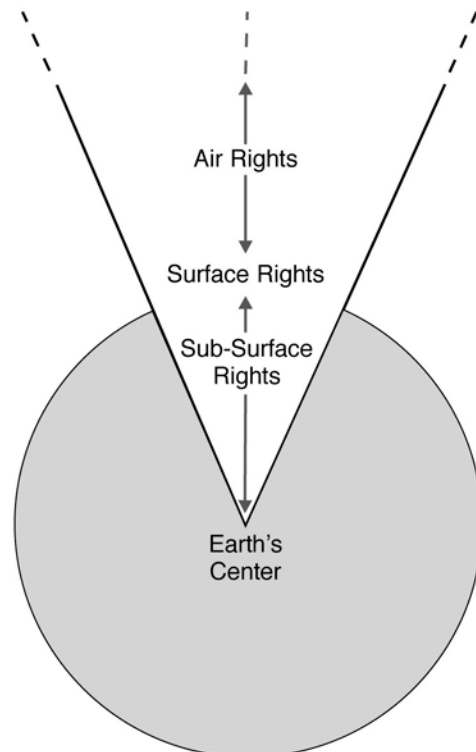
a) What are some examples of real estate that you might own, or you might rent, or you might work with?

b) Definitions

- *Real estate*

- *Land*

- Ownership of real estate can include
 - Surface Rights
 - Subsurface Rights
 - Mineral rights
 - Air rights
 - Solar and “view” rights



2) Water Rights – If you own the land, do you have unlimited use of the water that is on or crosses the land?

a) The *riparian rights doctrine* is used in most states east of the Mississippi where water is plentiful.

- *Riparian Rights* are common-law rights granted to owners of land along the course of a non-navigable river, stream, or similar body of water.

- Equality of rights

- Reasonable use

- Ownership typically extends to the _____ of the stream or river.

b) The *prior appropriation doctrine* usually applies in Western states, because water is so scarce.

- Under the prior appropriation doctrine, the first landowner to use a body of water for some beneficial economic purpose has a right to use

_____.

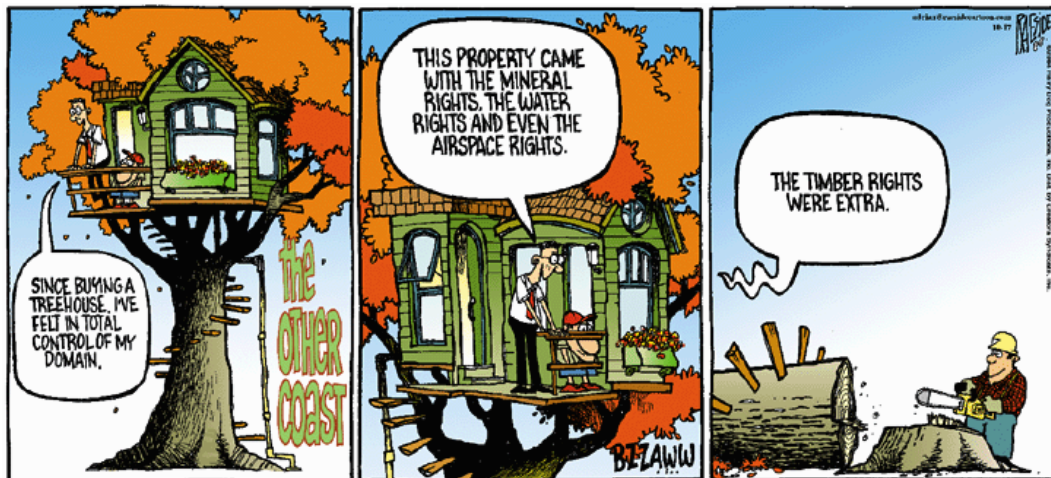
- A _____ is typically used to keep track of water rights, which can be sold.

- <http://www.ksda.gov/appropriation>

c) *Littoral rights* apply to owners whose land is adjacent to a navigable body of water

- Ownership of the land usually extends to the high-water mark of lakes and navigable rivers.

d) Underground water rights



Copyright © 2004 Creators Syndicate, Inc.

3) Real Property vs. Personal Property

a) Real property

- Appurtenances

b) Personal property

c) A *fixture* is _____ that has become a part of the _____ because it is permanently attached to the land or an improvement.

- Fixtures generally transfer with the real estate unless they are specifically excluded.

d) A *trade fixture* is an article owned by a tenant and attached to a rented space or building or used in conducting a business.

- Trade fixtures must be removed before the last day of the lease, and the cost of repairing damage is the responsibility of the tenant. Any trade fixtures not removed become:

e) When conflicts arise as to whether an item of personal property is a fixture, the courts apply several tests to determine if an item is a fixture.

- Intent of the parties

- Test of attachment

- Test of adaptability

4) Ownership Rights in Real Estate

a) *Fee simple absolute* estate

- Most common form of title
 - “Fee” relates to ownership of land; “simple” suggests that the ownership is without restrictions.

- A fee simple interest provides all of the fundamental legal rights associated with real estate, unbridged and unaltered.

–

–

–

–

b) *Qualified fee estates*

- In a qualified fee estate, the owner's rights can be _____ based on the occurrence or nonoccurrence of some specified event.
- Each qualified fee interest has an accompanying future *reversion interest* that may never be realized.

c) *Life estates*

- In an *ordinary life estate*, the grantee is called a *life tenant*, and enjoys full ownership for the duration of his or her life. The interest _____ upon the grantee's death.
- The person who will receive the property upon the death of the grantee is called the *remainderman*, and has a *remainder* interest;
- If the life estate is based on the lifetime of a person *other* than the life tenant, it is known as an *estate pur autre vie* ("for the life of another").

5) Leasehold Interests

a) When a lease is created, the rights are separated into

- A *leasehold interest* (“less-than-freehold”) for the tenant or lessee; and

- A *leased fee interest with a right of reentry* for the lessor or landlord.

6) Jointly Ownership of Real Estate

a) *Tenancy in common*

b) *Joint tenancy with right of survivorship*

- Unity of _____

- Unity of _____

- Unity of _____

- Unity of _____

7) Condominiums and Coops

- a) Condominium Ownership – Fee simple ownership of units and tenants in common for common grounds.

- b) Cooperatives – Residents purchase shares in a nonprofit corporation in proportion to the value of their units.

8) Time Shares – A form of ownership that splits the interest further by time.



Copyright © 2003 Newspaper Enterprise Association, Inc.